

Octagon Investment Funds

Global Equities Fund

Monthly Performance Update
as at 30 November 2024

To review the fund's investment objective and strategy, fees information and risk indicator please see the funds' product disclosure statement and most recent fund update at www.octagonasset.co.nz/our-funds/global-equities-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	2.60%	3.54%	22.04%	4.55%	4.14%
Gross Fund Return	2.71%	3.90%	23.75%	5.99%	5.31%
MSCI ACWI Net TR Index (50% hedged to the NZD)	4.24%	7.41%	29.89%	11.37%	10.05%

*Annualised

Major investments

Microsoft Corp.	4.02%
Alphabet Inc.	3.79%
Amazon.com Inc.	3.21%
Nestle SA	2.29%
Salesforce Inc.	2.17%
Uber Technologies Inc.	1.94%
Visa Inc.	1.94%
Apple Inc.	1.73%
Abbott Laboratories	1.43%
Meta Platforms Inc.	1.42%
Major holdings as % of total portfolio	23.96%

Manager's comments

What happened in the markets that you invest in?

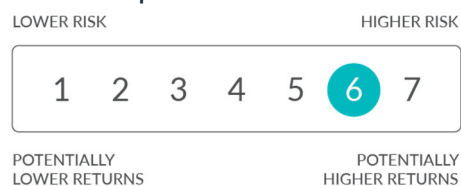
We have seen a positive reaction in US equities to the Trump election win, driven by pro-business policies such as tax cuts, reduced regulations and tariffs helping local producers. Asian markets were weaker due to the potential negative impact of tariffs on the region and their relatively fragile economies. Despite a clear win for the Republicans in the US election, there is still a degree of uncertainty about US domestic and foreign policy and how countries outside of the US will respond to changes.

Currently, the US equity market makes up about two-thirds of the MSCI All-Country World Equity Index. The strong outperformance of US stocks over other regions has negatively affected the fund's performance as our managers see better value in Europe and Japan. The so-called "Magnificent Seven" stocks are once again dominating market performance. In November, these seven stocks contributed to a quarter of the market index return. Our managers are underweight these stocks on valuation concerns, further hurting near term relative performance.

US outperformance has coincided with underperformance in the "value" and "low risk" style factors, while the "momentum" and "growth" style factors have shown significant outperformance. We have exposure to the growth style via two of our managers, it is less than that contained in the market index.

In local currency terms, the US, Singapore and German markets were positive whilst China, South Korea and Japan all posted negative returns for November.

Risk indicator for the Global Equities Fund*



How did your portfolio perform?

The Global Equities Fund delivered a gross return of 2.71% during November, underperforming the fund's market index return of 4.24% by -1.53%.

For the 12 months to the end of November, the Global Equities Fund delivered a gross return of 23.75%, underperforming the fund's market index return of 29.89% by -6.15%.

All three investment managers underperformed compared to the market index; the first time this has happened since we moved to a multimanager strategy in 2022.

The US dollar continued upwards, hurting the fund's New Zealand dollar hedged return. We actively manage the fund's foreign currency exposures. As at 30 November 2024, these exposures represented about 99% of the value of the fund. After allowing for foreign currency hedges in place, around 39% of the value of the fund was unhedged and exposed to foreign currency risk.

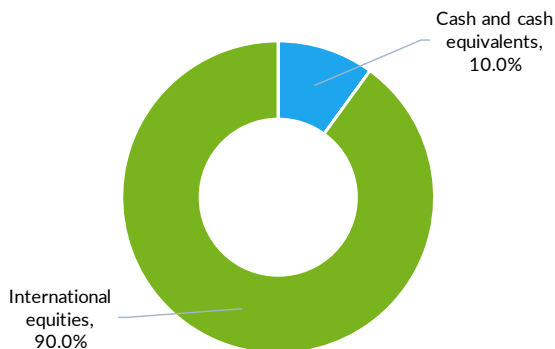
What are we thinking about the future?

Whilst US economic growth continues to be robust, we think that growth expectations are already more than reflected in market valuations with trading multiples of 22x forward earnings for the US versus 13x in Europe and 12x in emerging markets. Economic recovery outside of the US, on the back on interest rate cuts, further supports our managers' favouring those regions. The high weighting of the US economy in the market index sees us cautious on global equity market returns generally.



Christine Smith-Han
Strategy Analyst

Target Asset Allocation



Things to note

- Manager: Forsyth Barr Investment Management Ltd
- Investment manager: Octagon Asset Management Ltd
- Date the fund started: 26 June 2008
- Tax status: Portfolio Investment Fund (PIE)
- Minimum suggested investment time frame: At least five years
- Market Index: MSCI ACWI Net Total Return Index, 50% hedged to the NZD
- Currency: New Zealand dollars

View the [Product Disclosure Statement](#) for detailed information about this Fund and Octagon Investment Funds Scheme.

Fees

Annual fund charges are currently 1.35% p.a. of the value of your investment. We pay management and administration charges along with the Supervisor fee out of this. All fees and charges are quoted exclusive of GST.

For more information please visit octagonasset.co.nz, email info@octagonasset.co.nz, or call 0800 628 246

^ Net Fund Returns are calculated before the deduction of taxes and after deduction of fund charges and trading expenses and including imputation credits where available. Gross Fund Returns are calculated before deduction of taxes and fund charges but after deduction of trading expenses and including imputation credits where applicable. Market index returns do not have any deductions for fund charges, trading expenses or tax.

* The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the relevant fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way. The risk indicator is based on the returns data for the five years to 30 November 2024. See more information about the risks of investing in the Product Disclosure Statement.

This publication does not contain financial advice - for financial advice, please speak to your Investment Adviser. We recommend you review your investments and seek specialist advice on any taxation aspects. Past performance is not a reliable guide to future performance. Forsyth Barr Investment Management Limited is the issuer, and Octagon Asset Management Limited the investment manager, of the Octagon Investment Funds. A copy of the Product Disclosure Statement for the Funds is available from www.octagonasset.co.nz/disclosure-information, by contacting your Investment Adviser, or by calling 0800 628 246.